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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation

LOK SABHA

The following Bills were introduced in Lok Sabha on the 7th April, 1978.

BILL NO. 47 OF 1978

A Bill further to amend the Constitution of India.

BE it enacted by Parliament in the Twenty-ninth Year of the Republic of India as follows:—

1. (*1*) This Act may be called the Constitution (Amendment) Act, 1978. Short title and commencement.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Article 292 of the Constitution shall be re-numbered as clause (*1*) thereof and after clause (*1*) as so re-numbered, the following clause shall be inserted, namely:— Amendment of Article 292.

"(*2*) A Bill fixing limits referred to in clause (*1*) shall be passed in each House of Parliament by a majority of not less than two-thirds of the members present and voting.".

3. In article 293 of the Constitution, after clause (*1*) the following clause shall be inserted, namely:— Amendment of article 293.

"(*1A*) A Bill fixing limits referred to in clause (*1*) shall be passed by the Legislative Assembly of a State, or, in the case of a State having a Legislative Council, by both Houses of the Legislature of the State by a majority of not less than two-thirds of the members present and voting.".

STATEMENT OF OBJECTS AND REASONS

Democracy essentially means a rule by the will of the people. Elected representatives of the people are called upon to run the Government and it is, therefore, necessary that there should be a check on reckless expenditure on the part of the Government of the day. Funds for incurring expenditure are mainly raised by the Government in two ways. One is by taxation which is levied, on year to year basis, with the approval of Parliament or a State Legislature and of which the public is always aware. The second method resorted to is to raise funds by loans which action need not necessarily come before Parliament or a State Legislature. The repayment of loans is a charged expenditure on the Consolidated Fund of the Union or the State, as the case may be. As urgency has arisen to put a check on the Union and the State Governments to raise loans, which are a charged expenditure, this can only be done by tightening the borrowing authorities of the Government of the day. This can effectively be done by bringing the particulars of the loans which are sought to be raised to the notice of the elected representatives of the people who should pass a law fixing such limits by a majority of not less than two-thirds of the members present and voting in each House of Parliament or State Legislature, as the case may be.

Hence the Bill.

NEW DELHI;
the 24th February, 1978.

OM PRAKASH TYAGI.

BILL NO. 48 OF 1978

A Bill further to amend the Constitution of India.

BE it enacted by Parliament in the Twenty-ninth Year of the Republic of India as follows:—

1. This Act may be called the Constitution (Amendment) Act, 1978. Short title.

2. After article 16 of the Constitution, the following article shall be inserted, namely:— Insertion of new article 16A.

"16A. Notwithstanding anything in this Constitution, no law giving effect to the policy of the State towards securing the principles laid down in clause (4) of article 15 or clause (4) of article 16 shall be deemed to be void on the ground that the reservation made under such law is on the basis of the total population of the backward classes of citizens." Saving of laws providing for reservation for backward classes of citizens.

STATEMENT OF OBJECTS AND REASONS

Article 15(4) and 16(4) of the Constitution are silent about the quantum of the percentage of reservation for the socially and educationally backward classes of citizens in educational institutions and also in Government services. In 1963, Supreme Court in a case of M. R. Balaji *Vs.* the State of Mysore and other held that the order of reservation, passed by the State Government, in favour of backward classes to the extent of 68 per cent was inconsistent with the provisions of article 15(4) and was declared invalid. This ruling now stands modified in 1971. In order to set this controversy at rest the necessity of the amendment of the Constitution has arisen. 90 per cent population of this country belong to backward classes and downtrodden people and they are not adequately represented in Government services of Class I and II. The students belonging to the backward classes are not given special opportunity with regard to admission in the first year course in medicine, engineering and other agricultural and technological colleges. Hence, the disparity, social and economic, has widened during the last 30 years. The aim of the Constitution is to establish a casteless and classless society, but it is only possible when the citizens who are lagging behind and were not given opportunities for centuries on the basis of caste are provided a special treatment and given top priority in matter of services and education. If this Bill is enacted, the Nation's prestige will be enhanced and the Nation shall become strong and lifeful.

Hence the Bill.

NEW DELHI;
The 28th February, 1978.

ROOP NATH SINGH YADAV.

BILL NO. 50 OF 1978

A Bill to provide for capital punishment to spies for espionage in India and their summary trial.

BE it enacted by Parliament in the Twenty-ninth Year of the Republic of India as follows:—

1. This Act may be called the Anti-Espionage Act, 1978. Short title.

2. Any person engaged in espionage activity in India shall be punished with death. Death penalty for espionage.

3. A person accused of espionage shall be tried in a summary way in the manner to be prescribed for summary trial in such a case. Summary trial.

Constitution of trial Court

4. The cases of espionage shall be tried by a trial court constituted in the following manner, namely:—

(a) the Chief Justice of the Supreme Court who shall be the Chairman of the Trial Court;

(b) two judges of High Courts who shall be appointed on the Trial Court by the Chairman.

No appeal to lie.

5. No appeal shall lie from the decision of the Trial Court.

Power to make rules.

6. The Central Government shall, in consultation with the Chief Justice of the Supreme Court, frame rules for carrying out the purposes of this Act.

STATEMENT OF OBJECTS AND REASONS

Espionage is most dangerous for the security of a country. A person found guilty of espionage should be punished with death. A summary trial should be held in a case of spying because quick decision should be taken in such a case. For this purpose a special trial court should be constituted which should be headed by the Chief Justice of the Supreme Court and there should be no appeal from the decision of the Trial Court.

Existing laws do not meet the requirement of such delicate cases of spying endangering the security of the country. Protracted proceedings under the existing laws do not allow this danger to be met squarely.

Hence this Bill.

NEW DELHI; YADVENDRA DUTT.

The 4th March, 1978.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 6 of the Bill empowers the Central Government to frame rules, in consultation with the Chief Justice of Supreme Court, to carry out the purposes of the Act, particularly to prescribe the manner for summary trial in cases of espionage. As the rules will provide for matters of detail, the delegation of legislative power is of a normal character.

BILL NO. 52 OF 1978

A Bill to provide for establishment of an autonomous Board for fixation of minimum prices every year of all the agricultural commodities in the nature of food grains and for matters connected therewith.

BE it enacted by Parliament in the Twenty-ninth Year of the Republic of India as follows:—

Short title, extent and commencement.

1. (*1*) This Act may be called the Grains Board Act, 1978.

(*2*) It extends to the whole of India.

(*3*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act,—

(*a*) 'Board' means the Grains Board;

(*b*) 'grains' means all agricultural commodities in the nature of food grains.

Establishment of Grains Board.

3. (1) **There shall be established a Board to be called the Grains Board.**

(2) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall by the said name sue and be sued.

(3) The head office of the Board shall be at New Delhi and the Board may, with the previous approval of the Central Government, establish offices or agencies at other places in or outside India.

Composition of the Board.

4. The Board shall consist of the following members, namely:—

(*a*) a Chairman to be appointed by the Central Government;

(*b*) three Members of Parliament, of whom two shall be elected by the House of the People and one by the Council of States;

(*c*) thirteen members to be appointed by the Central Government to represent respectively:—

(*i*) the Ministry of the Central Government dealing with Agriculture;

(*ii*) the Ministry of the Central Government dealing with fertilizers;

(*iii*) the Ministry of the Central Government dealing with commerce;

(*iv*) the Ministry of the Central Government dealing with Finance;

(*v*) the Indian Council of Agricultural Research;

(*vi*) the Governments of Haryana, Madhya Pradesh, Punjab, Uttar Pradesh, West Bengal, Maharashtra, Andhra Pradesh and Madras;

(*d*) two members to be appointed by the Central Government, by rotation in the alphabetical order, to represent the Governments of States other than the States mentioned in part (vi) of sub-clause (*c*);

(*e*) not more than eight members to be appointed by the Central Government from amongst traders in agricultural commodities, co-operative societies, experts in marketing of agricultural commodities and banks;

(*f*) four members to be appointed by the Central Government from amongst farmers.

Term of office, etc.

5. The term of office of members and the manner of filling vacancies among, and the procedure to be followed in the discharge of their functions by, the members shall be such as may be prescribed.

Functions of the Board.

6. It shall be the duty of the Grains Board to—

(*a*) ensure that the growers of foodgrains get a reasonable and remunerative minimum price for their produce and for that purpose fix every year minimum support prices of foodgrains;

(*b*) fix the prices of foodgrains every year for procurement by the Government:

Provided that different procurement prices can be fixed for different areas;

(*c*) fix the issue prices of foodgrains for retail sale to consumers every year:

Provided that different issue prices for retail sale can be fixed for different areas.

Board to function in liaison with other agencies.

7. The Board shall perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government and such rules may in particular make provisions for ensuring that the Board functions in close liaison with Union agencies, institutions and authorities concerned with the procurement, supply, distribution, trade, etc. of foodgrains and avoids duplication of effort.

Officers of the Board and their salaries, etc.

8. (*1*) The Central Government shall appoint an Executive Director to exercise such powers and perform such duties under the Chairman of the Board as may be prescribed or as may be delegated to him by the Chairman.

(*2*) The Central Government shall appoint a Secretary to the Board to exercise such powers and perform such duties under the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(*3*) The Executive Director and the Secretary shall be entitled to such salaries and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may from time to time be fixed by the Central Government.

(*4*) Subject to such control, restrictions and conditions as may be prescribed, the Board may appoint such other officers and employees as may be necessary for the efficient performance of its functions.

Salary and conditions of Service of Chairman.

9. The Chairman shall be entitled to such salary and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may, from time to time, be fixed by the Central Government.

Board to carry out directions of Government.

10. The Board shall carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Act.

Power to make rules

11. (*1*) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purpose of this Act.

(*2*) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule, or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

It is a usual phenomenon in our country that in the immediate post-harvest period, prices get depressed and farmers are left at the mercy of the trading community, and, as soon as the lean period comes, the consumers have to purchase the same foodgrains at a very high price and they are left at the mercy of the traders. This is a phenomenon repeated from year to year.

With a view to assuring remunerative or reasonable prices to the farmers and, at the same time, ensuring availability of foodgrains to the consumers at reasonable prices, the Government owes some responsibility to develop a public organisation which will take care of prices of foodgrains.

The foodgrains pricing has to strike a balance between the interests of the producers and the consumers. The farmers should be assured of a reasonable minimum support price for their produce. Such a price, which is in the nature of an insurance against sharp falls in the wake of bumper harvests, enables the farmers to strive for higher fields without being haunted by fears that they would lose heavily when prices decline following increased production.

The most appropriate device for protecting the interests of the producer is a well-publicised programme under which the Government stands ready to purchase any quantity of a crop that may be offered at the announced minimum price. This is not the same thing as Government procurement which is normally undertaken at prices higher than the minimum. The guarantee of a minimum price removes the uncertainty emanating from the not infrequent phenomenon of a steep decline in prices, caused by temporary gluts in the market. It also assures the progressive farmer that his effort to augment production through the adoption of improved technology will not become unremunerative. In fact, as the expected breakthrough in agriculture comes about and gains greater momentum, minimum support prices would increasingly assume a crucial role. The necessary incentive and protection to the farmer would then have to be provided primarily through minimum support prices.

Remunerative prices to agricultural producers have a double significance: they are source of funds both for production and for better living. It will increase demand for products of non-farm sector, thus promoting the development of other industries also.

The primary objectives of a foodgrains pricing policy should be threefold: fixation of minimum support price to the producers; procurement price for the Government; and a fixed issue price for the consumers.

With a view to achieving these objectives, it is necessary to have a statutory grains board which will be entrusted with the work of pricing of foodgrains.

Hence the Bill.

NEW DELHI;

NEW DELHI; YADVENDRA DUTT.

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for establishment of Grains Board. Clause 8 provides for appointment of Executive Director and Secretary of the Board and Staff therefor. Under Clause 9, the Chairman of the Board shall also be entitled to salary and allowances. The Bill, therefore if enacted is likely to involve a recurring expenditure of about rupees fifteen lakhs.

A non-recurring expenditure of about rupees ten lakhs is also likely to be incurred.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 11 of the Bill empowers the Central Government to frame rules for carrying out the purposes of the Bill. Since the rules will relate to matters of details including those provided for in clauses 5, 7 and 8 of the Bill, the delegation of power is of a normal character.

BILL No. 53 OF 1978

A Bill to provide for the establishment of an autonomous Board for all-sided development of all economically backward areas of the country.

BE it enacted by Parliament in the Twenty-ninth Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Backward Areas Development Board Act, 1978.

Declaration of backward areas.

2. The Central Government shall, by notification in the Official Gazette, declare the areas of the country which in the opinion of the Central Government are economically backward.

Establishment of Backward Areas Development Board.

3. (*1*) **There shall be established by the Central Government, by notification in the Official Gazette, a Board to be called the Backward Areas Development Board.**

(2) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall by the said name sue and be sued.

(3) The head office of the Board shall be at New Delhi and the Board may, with the previous approval of the Central Government, establish offices at other places in the country.

Composition of the Board.

4. The Board shall consist of the following members, namely:—

(a) a Chairman who shall be the Vice-Chairman of the Planning Commission, *ex-officio*;

(b) a Vice-Chairman to be appointed by the Central Government;

(c) six Members of Parliament of whom four shall be from Lok Sabha and two from Rajya Sabha, to be elected by the Members of the respective Houses, who belong to the backward areas, from amongst themselves;

(d) eight members to be appointed by the Central Government to represent respectively:—

(i) the Planning Commission (other than the Chairman of the Board);

(ii) the Ministry of the Central Government dealing with Agriculture and Irrigation;

(iii) the Ministry of the Central Government dealing with Industrial Development;

(iv) the Ministry of the Central Government dealing with Finance;

(v) the Ministry of the Central Government dealing with Railways;

(vi) the Ministry of the Central Government dealing with Communications;

(vii) the Ministry of the Central Government dealing with Education;

(viii) the Ministry of the Central Government dealing with Health and Family Welfare;

(e) not more than five members to be appointed by the Central Government, by rotation in the alphabatical order, to represent the Governments of the States having the backward areas;

(f) four members to be appointed by the Central Government, who, in the opinion of that Government are experts in various fields of economic development.

Board to promote development of backward areas.

5. (1) It shall be the duty of the Board to promote, by such measures as it thinks fit, the all-sided development, under the control of the Central Government, of the backward areas of the country.

(2) Without prejudice to the generality of the provisions of sub-section (1), the Board shall take measures for development particularly, of railways, roads, posts and telegraphs and other means of communications, agriculture and irrigation, industries, banking, drinking water and water power, forests, live-stock, health and family welfare, education, vocational training and tourism.

Provision of funds by Central Government.

6. The Central Government shall provide from time to time, after due appropriation made by Parliament by law, adequate funds for—

(*a*) development works undertaken by the Board;

(*b*) administrative expenses of the Board;

Development Fund.

7. The Board shall have a fund to be called the Development Fund to which shall be credited all receipts from the Central Government for the purposes of development and all payments by the Board towards development expenditure shall be made therefrom.

Administration Fund.

8. The Board shall have a fund to be called the Administration Fund to which shall be credited all receipts from the Central Government for the purposes of administration of the Board and all administrative expenses shall be met therefrom.

Salary and allowances of Vice-Chairman.

9. The Vice-Chairman of the Board shall be entitled to such salary and allowances as may be prescribed by the Central Government.

Secretary to the Board.

10. The Central Government shall appoint a Secretary to the Board to exercise such powers and perform such duties under the Chairman and the Vice-Chairman as may be prescribed and as may be delegated to him by the Chairman and the Vice-Chairman.

Officers and employees of the Board.

11. The Board may appoint such officers and employees as may be necessary for the efficient performance of the functions of the Board.

Annual report to Prime Minister.

12. The Board shall submit every year a report, in such form as may be prescribed, of its development activities to the Prime Minister.

Reports to be laid before Parliament.

13. The Prime Minister shall cause the report to be laid before both Houses of Parliament as soon as may be after each such report received by him.

Power to make rules.

14. (*1*) The Central Government shall make rules for carrying out the purposes of this Act.

(*2*) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule, or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

The need for levelling down economic disparities between different regions of the country was accepted as soon as the nation launched upon planned economic development. Accelerated development of backward areas, with a view to reducing regional disparities, was one of the important national objectives. But, even after 30 years of independence, the economic disparities between regions have not only persisted but increased. Required attention has not been paid to develop the backward areas.

For the development of the backward areas of the country and to bring them up in a short time to the level of the rest of the country, the strategy should be to evolve a fully integrated development programme for identified backward areas to ensure all round progress. For drought-prone areas which have a predominance of small and marginal farmers, area based programmes which envisage a flow of all necessary inputs in the form of a package to enable accelerated economic development should be implemented. In addition, a programme of giving incentives to enable accelerated industrialisation of identified backward area should also be implemented. It should be ensured that infrastructural facilities like power, water supply and transport are steadily developed and made available to areas which are at present lagging behind industrially or where there is a greater need for providing opportunities for employment in order to achieve these objectives, an autonomous body, though under the overall control of the Government, should be established which would be responsible for planning and implementation of area based package programmes in co-ordination with the Planning Commission and the State Governments.

Hence this Bill.

NEW DELHI;
The 4th March, 1978.

YADVENDRA DUTT.

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for the establishment of the Backward Areas Development Board. Clause 9 provides for payment of salary to Vice-Chairman, Clauses 10 and 11 provide for appointment of a Secretary to the Board and other necessary staff for performance of the functions of the Board. The Bill, therefore, if enacted, is likely to involve a recurring expenditure of about rupees fifteen lakhs from the Consolidated Fund of India on account of administrative expenses. So far as the development expenditure (Clause 5) is concerned, that will form part of the annual expenditure on development plans of the country as a whole, and the development funds shall be made available to the Board after due appropriation by Parliament. An estimate of such expenditure is not possible at this stage.

A non-recurring expenditure of about rupees twenty-five lakhs is also likely to be incurred.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 14 of the Bill empowers the Central Government to frame rules for carrying out the purposes of the Bill. As the rules will provide for matters of detail only, the delegation of legislative power is of a normal character.

BILL No. 54 OF 1978

A Bill further to amend the Workmen's Compensation Act, 1923

BE It enacted by Parliament in the Twenty-ninth Year of the Republic of India as follows:—

Short title, extent and commencement.

1. (*1*) This Act may be called the Workmen's Compensation (Amendment) Act, 1978.

(*2*) It extends to the whole of India.

(*3*) It shall come into force on the date or dates which may be notified by the appropriate Government in the Official Gazette and different dates may be fixed for different provisions and different areas.

Amendment of section 2.

2. In section 2 of the Workmen's Compensation Act, 1923, (hereinafter referred to as the principal Act), in sub-section (*1*),— 8 of 1923.

(*i*) in clause (c), for the word "means", the word "includes" shall be substituted;

(*ii*) in clause (*d*),—

(*1*) in sub-clause (*i*), after the words "widowed mother", the words "step-sons, or step-daughters" shall be added;

(2) in sub-clause (*ii*), after the word "infirm", the words "or step-sisters" shall be added;

(3) in sub-clause (*iii*) (*b*), after the words "widowed-mother", the words "or step-father or step-brother" shall be added;

(*iii*) after clause (*e*), the following clause shall be added:—

"(*ee*) "Industrial Court" means Industrial Court constituted under section 10 of the Bombay Industrial Relations Act, 1946";

Bombay Act XI of 1947.

(*iv*) in clause (*n*), sub-section (*ii*), the words "on monthly wages not exceeding one thousand rupees" shall be omitted.

Amendment of section 3.

3. In section 3 of the principal Act,—

(*a*) for sub-section (5), the following sub-section shall be substituted, namely:—

"(5) Nothing herein contained shall in any way, prejudice the right of the workmen for damages available under any law for the time being in force."

(*b*) after sub-section (5), the following sub-sections shall be added, namely:—

"(6) Notwithstanding the fact that the workman is entitled to or has received compensation for the permanent partial disablement, the employer concerned shall be liable to continue him in the employment without making any adverse effect in his emoluments.

(7) The employer shall get all the workmen working under him insured against the accidents and the premium shall be paid by the employer for such insurance.

(8) It shall be the duty of the employer to provide for medical care and treatment free of charge to the injured workman who meets with an accident on the premises of the employer."

Insertion of new section 4B.

4. After section 4A of the principal Act, the following new section shall be inserted, namely:—

Additional amount payable on cessation of employment.

"4B. Notwithstanding anything contained in any law for the time being in force, a workman meeting with an accident during the course of and arising out of employment resulting in permanent partial or total disablement shall not be considered to be suffering from continued ill health and if he dies, or leaves the job voluntarily or is discharged by the employer, he or his dependents as the case may be, shall be paid in addition to the compensation in lump-sum or half monthly payments, an additional compensation at the rate of one month's average wages for each completed year of service or any part thereof in excess of six months without prejudicing his rights available under section 25(F) of the Industrial Disputes Act, 1947, or under section 4 of the Payment of Gratuity Act, 1972."

14 of 1947.
39 of 1972.

Amendment of section 13.

5. In section 13 of the principal Act, the following words shall be added at the end, namely:—

"and any such question of indemnification on application being made, shall also be settled by the Commissioner."

Amendment of section 18A.

6. In section 18A of the principal Act, in sub-section (*1*), the words "and shall not be allowed to avail the defence under section 3 of the Act" shall be added at the end.

Amendment of section 21.

7. In section 21 of the principal Act, in sub-section (*1*),—

(*a*) after the words "in the injury", the words "or for the area in which the workman ordinarily used to report for work or was receiving the wages" shall be added.

(*b*) in the proviso—

(*i*) after the word "seaman", the words "or engaged in a Public Motor Transport or Air Transport" shall be inserted;

(*ii*) at the end of the proviso, the words "or where the workman ordinarily used to report for work or was receiving wages" shall be added.

Insertion of new section 23A. Admissible Evidence.

8. After section 23 of the principal Act, the following new section shall be inserted, namely:—

"23A. Certificate regarding injury or death, post-mortem reports, Chemical Examiner's reports, Sereologist's reports, Radiologist's reports or Hospital reports and Bed-Head tickets issued by competent medical authorities shall be accepted as evidence and the correctness of the entries shall be presumed and onus to prove contrary shall lie on the employer and the examination of the signatory to such reports shall be depended upon unless otherwise required by the Commissioner on application being made by the employer."

Amendment of sections 27, 30 and 30A.

9. In sections 27, 30 and 30A of the principal Act, for the words "High Court" wherever they occur, the words "Industrial Court and in the States, where there is no such Industrial Court, the Industrial Tribunal constituted under section 7A of the Industrial Disputes Act, 1947" shall be substituted.

STATEMENT OF OBJECTS AND REASONS

The Workmen's Compensation Act, 1923, as at present in force, neither provides for compulsory insurance of the workmen against accidents, nor for continuance in the employment of the workmen injured due to accidents during the course of and arising out of employment, nor for payment of unemployment compensation in consideration of the length of service when thrown out of employment.

Similarly there is no positive provision for dispensing with the evidence of medical authorities when there is documentary evidence coming from the records of competent medical authorities. The present provisions regarding venue of filing claims and appeals also adds to the hardships of the injured workman and his dependents and as such, the ends of justice, are being felt to be defeated.

Certain categories of dependents are also missing in the list of dependents and the workmen are deprived of the benefit of damages available under Civil Law.

The aforesaid lacuna requires to be removed by making suitable provisions:—

(*i*) by adding the missing categories of dependents,

(*ii*) by prescribing venue or work place for filing claims,

(*iii*) by changing forum of appeal from High Court to Industrial Court,

(*iv*) by requiring the employer:—

(*a*) to continue in employment the injured workman without reduction in wages,

(*b*) to have compulsory insurance of the workmen against accidents,

(*c*) providing free medical care and treatment,

(*d*) to pay extra amount of un-employment compensation, in case, where the workman ceases to be in employment, and

(*v*) by amending the rules of evidence to the effect that:—

(*a*) documentary evidence coming from the records of the competent medical authorities may be admitted, and

(*b*) oral evidence of such authorities may be dispended with, and

(*c*) by laying the onus of proof to prove the contrary on the employers, and

(*vi*) by allowing the workman to avail of benefits of damages available under any law for the time being in force.

The Bill seeks to achieve this object.

PRASANNBHAI MEHTA.

NEW DELHI;
The 21st February, 1978.

FINANCIAL MEMORANDUM

Clauses 2, 3, and 4 of the Bill seek to make provisions for continuance of employment of a workman injured during the course of his employment and also compulsory insurance against the accidents, etc. An estimated recurring expenditure to the tune of about one lakh is likely to be involved from the Consolidated Fund of India for implementation of these provisions in the establishments run by the Central Government.

A non-recurring expenditure of about rupees fifty thousand is also likely to be involved from the Consolidated Fund of India.

BILL NO. 55 OF 1978

A Bill further to amend the Payment of Gratuity Act, 1972.

BE it enacted by Parliament in the Twenty-ninth Year of the Republic of India as follows:—

Short title, extent and commencement.

1. (*1*) This Act may be called the Payment of Gratuity (Amendment) Act, 1978.

(*2*) It extends to the whole of India.

(*3*) It shall come into force on the date or dates as may be notified by the Central Government in the Official Gazette and different dates may be fixed for different provisions and different areas.

Amendment of section 2.

2. In section 2 of the Payment of Gratuity Act, 1972 (hereinafter referred to as the principal Act), — 39 of 1972

(*i*) clause (*b*) shall be omitted;

(*ii*) in clause (*c*)—

(*a*) the word "actually" wherever it occurs shall be omitted;

(*b*) after Explanation II the following Explanation shall be added:—

"Explanation III.—For the purpose of clause (*c*) of section 2, the number of days on which a workman has been employed or has worked under an employer include the days on which;

(*i*) he has been laid off under an agreement or permitted by standing orders made under the Industrial Employment (Standing Orders) Act, 1946, or under Industrial Disputes Act, 1947, or under any other law applicable to the establishment; 20 of 1946. 14 of 1947.

(*ii*) he has been on leave with full wages earned in the previous year or on casual leave with wages;

(*iii*) he has been absent due to temporary disablement caused by accident arising out of and in the course of his employment or on sick leave under Employees' State Insurance Scheme, 1952, or on sick leave whether with wages or without wages;

(*iv*) in the case of a female, she has been on maternity leave, so however, that the total period of such maternity leave does not exceed twelve weeks."

(*iii*) in clause (*e*),—

(a) for the words "(other than an apprentice)", the words "(Including an apprentice)" shall be substituted;

(b) for the words "one thousand rupees", wherever they occur, the words "two thousand rupees" shall be substituted.

(*iv*) after clause (*h*), the following clause (*hh*) shall be inserted:—

'(*hh*) "Gratuity Trust" means a trust established under Gratuity Scheme by the appropriate Government for safe custody of the amount to be deposited by the employer and payable to the employees towards Gratuity'.

(*v*) in item (*ii*) of clause (*r*), for the words "fifty-eight years", the words "sixty-two years" shall be substituted.

(*vi*) in clause (s) after the words "includes dearness allowance", the words "house rent allowance, and overtime wages" shall be inserted and the words "house rent allowance, overtime wages" shall be omitted.

Amendment of section 4.

3. In sub-section (*1*) of section 4 of the principal Act, for the words "the termination of his employment", the words "his ceasing to be in employment" shall be substituted.

4. After section 4, the following new sections shall be inserted, namely:— Insertion of new sections 4A and 4B.

"4A. (1) Within sixty days of the commencement of this Act, the employer covered under this Act, shall submit a statement showing the names of all the employees employed by him and on his rolls as on 16th September, 1972, and also those employed thereafter together with the dates of appointment, total services rendered by them till 16th September, 1972 and thereafter till date and last wages drawn by each of them as on 16th September, 1972, and yearly wage bill of the establishment from its inception till 16th September, 1972 and thereafter till date together with detailed calculation of gratuity amount of each individual employee calculated at the rate fixed in sub-section (2) of section 4, till 16th September, 1972, on the basis of last wages drawn on 16th September, 1972, by each individual employee and a copy of the scheme of gratuity, if any, in force either under any contract of services or settlement or award, to the controlling authority and the President of the Trade Union registered under the Trade Unions Act, 1926, and functioning in his establishment. Depositing the amount of gratuity in Trust.

16 of 1926.

(2) The Controlling authority after ascertaining the statement submitted by the employer under sub-section (1), direct the employer to deposit with the Gratuity Trust the amount as part payment towards gratuity to be paid in future to its employees which shall not be less than 4 per cent. of the annual wage Bill for each year of the existence of the establishment within a period of 180 days of the coming into force of this Act:

Provided that such period may be extended by the appropriate Government on assurance being given by the employer and providing sufficient security for the said amount and on giving an undertaking in writing to pay compound interest at 9 per cent. per annum on whole of the amount on and from 16th September, 1972.

(3) Within 90 days of the closing of the annual account, the employer shall also deposit with the Gratuity Trust every year an amount which shall not be less than 4 per cent. of the total annual wage bill of the establishment for that particular year as part payment towards gratuity of the employees.

(4) The appropriate Government may exempt any industry or establishment carried on by or under the authority of the Government, or local body from depositing the amount as required hereinabove.

(5) Any default or late payment beyond the stipulated time limit by the employer shall be punishable with an imprisonment which shall not be less than three months and a fine which may extend to Rs. 1,000 per day beyond stipulated time limit, and penalty which may extend to 50 per cent. of the amount in default.

(6) The amount so deposited by the employer towards part payment of gratuity with the Gratuity Trust, shall be invested by the Trust in the Government securities and two-thirds of the income

of interest shall be applied for the welfare of the working class through Trade Unions functioning in respective establishments or through such bodies constituted under any law for the time being in force, or through registered Trade Unions registered under Trade Unions Act, 1926 and an amount not exceeding one-third of the income from interest may be spent on administration of Gratuity Trust. 16 of 1926.

(7) On an employee or his nominee or heirs, as the case may be, becoming entitled to receive from the employer gratuity under the Act, the amount already deposited with the Gratuity Trust by the employer shall be paid to him by the controlling authority concerned and the employer shall pay within the stipulated time, remaining amount of gratuity calculated at the rate of fifteen days' or seven days' average wages, as the case may be, on the basis of last wages drawn by the concerned employee on the date he ceases to be in employment as provided for, in sub-section (2) of section 4 of the Act, over the amount deposited at the rate of four per cent. of the annual wages for the respective year of service of the concerned employee.

Gratuity Trust.

4B. (1) The appropriate Government shall create a Gratuity Trust for the safe custody of the amount of gratuity payable by the employer to the employees under this Act.

(2) The said trust shall be registered under the Public Trust Act, 1882 and on the Board of Trustees, there shall be an equal number of representatives from the Government, from the employer's organisation and employees' organisation and the said Trust shall administer the account of the amount so deposited and keep the amount in safe custody or invest in Government securities provided that the interest on the investment shall not be less than 9 per cent. compound interest per annum.". 2 of 1882.

Protection against attachment.

5. For section 13, the following section shall be substituted:—

"13. (1) The amount payable to any employee shall not in any way, be capable of being assigned or charged and shall not be liable to be attached under any decree or order of any civil, revenue or criminal court in respect of any debt or liability incurred by the employee and neither the Official Assignee appointed under the Presidency Towns Insolvency Act, 1909, nor any received appointed under the Provincial Insolvency Act, 1920, nor any Liquidator appointed under any other Act for the time being in force, shall be entitled to or have any claim on, any such amount. 3 of 1909. 5 of 1920.

(2) Any amount of gratuity due to an employee at the time of his death and payable to his nominee or heirs under this Act, shall vest in the nominee or heirs, as the case may be, and shall be free from any debt or other liability incurred by the deceased or nominee or heirs before the death of the employee concerned.

(3) Where any employer is adjudicated insolvent, or being a company, an order for winding up is made or liquidation proceedings has been ordered or commenced against any employer, the amount due—

(a) from the employer in relation to an establishment to which the Act applies, or

(b) from the employer who is in default of depositing the amount of gratuity towards part payment for the past years prior to 16th September, 1972 or annual payment towards deposit for gratuity, or difference over the amount deposited payable to the employee at the time he ceases to be in employment or any amount of penalty, interest, or damages, shall where the liability therefor has accrued before the order of adjudication or winding up or liquidation is made, deemed to be included among the debts which under section 49 of the Presidency Towns Insolvency Act, 1909, or under section 61 of the Provincial Insolvency Act, 1920, or under section 230 of the Indian Companies Act, 1913, or under any other law regarding liquidation for the time being in force, are to be paid under priority to all other debts in the distribution of the property of the insolvent or the assets of the company or establishment being wound up or liquidated as the case may be.".

3 of 1909.
5 of 1920.
7 of 1913.

STATEMENT OF OBJECTS AND REASONS

In order to safeguard the interest of the workmen and amount of retirement benefit like gratuity, it is necessary that the same should be brought under the control and custody of the State. This in turn, will reduce the hoarding capacity of the employers and help in checking the inflationary trends and will leave handsome amount in the hands of Government by way of deposits for investments for fulfilling the plan projects and development targets.

The Bill seeks to achieve this object of safeguarding the interest of the workmen by requiring the employer to deposit the amount of gratuity with Gratuity Trust to be created for the purpose by the State and providing penalty for default in payments, protection against attachments and priority in payment of gratuity amount over other debts in case of insolvency, winding up, or liquidation of the company, establishment or employer.

NEW DELHI; PRASANNBHAI MEHTA.

The 21st February, 1978.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. H.11018|1|78-FPG, dated the 27th March, 1978 from Shri Ravindra Varma, Minister of Parliamentary Affairs and Labour to the Secretary, Lok Sabha.]

The President, having been informed of the subject matter of the above Bill, has recommended it under article 117(3) of the Constitution for consideration by the Lok Sabha.

FINANCIAL MEMORANDUM

Clauses 2 and 3 of the Bill seek to liberalise definitions and construction of certain terms used in the parent Act, the effect of which would lead to additional expenditure from the Consolidated Fund of India in respect of establishments run by the Central Government.

It is estimated that a recurring expenditure of rupees two lakhs is likely to be involved from the Consolidated Fund of India.

No non-recurring expenditure is likely to be involved.

BILL No. 56 OF 1978

A Bill further to amend the Employees' Provident Funds and Miscellaneous Provisions Act 1952.

BILL No. 57 OF 1978

BE it enacted by Parliament in the Twenty-ninth Year of the Republic of India as follows:—

Short title, extent and commencement.

1. (*1*) This Act may be called the Employees' Provident Funds and Miscellaneous Provisions (Amendment) Act, 1978.

(*2*) It extends to the whole of India.

(*3*) It shall come into force on such date or dates as may be notified by the Government in the Official Gazette and different dates may be fixed for different provisions and for different areas.

Amendment of section 1.

2. In section 1 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (hereinafter referred to as the principal Act), in sub-section (3) and (5), for the word "twenty", wherever it occurs, the word "ten" shall be substituted. 19 of 1952

Amendment of section 2.

3. In section 2 of the principal Act,—

(*a*) clause (*b*) shall be omitted;

(b) after clause (*l*), the following new clause shall be added, namely:—

'(m) "wages" means all remuneration capable of being expressed in terms of money which would, if the terms of employment, express or implied, were fulfilled, be paid or payable to a workman in respect of his employment or work done in such employment while on duty or on leave with wages in accordance with the terms of the contract of employment and includes all such allowances as dearness allowance, retaining allowance, travelling concession, overtime allowance, house rent allowance, the cash value of any food concession, or value of any house accommodation or of supply of light, water, medical attendance or other amenities.'

Amendment of section 5A.

4. In section 5A of the principal Act, to sub-section (*3*), the following proviso shall be added, namely:—

"Provided that the Scheme shall provide that the interest payable on provident fund accumulations to the members shall be not less than the rate of interest payable on cumulative time deposit scheme of twenty years by the Government from time to time or nine per cent compound interest whichever is higher.".

Amendment of section 6.

5. In section 6 of the principal Act,—

(a) for the words "six and a quarter per cent of the basic wages, dearness allowance and retaining allowance (if any)", the words "ten per cent of the total wages" shall be substituted;

(b) for the words "not exceeding eight and one-third per cent of his basic wages, dearness allowance and retaining allowance (if any)", the words "not exceeding twelve per cent of his total wages" shall be substituted;

(c) the first proviso shall be deleted.

Amendment of section 6A.

6. In section 6A of the principal Act, in clause (a) of sub-section (2), for the words "such portion, not exceeding one-fourth,", the words "one-fifth" shall be substituted.

Amendment of section 7.

7. In sub-section (*1*) of section 7 of the principal Act, after the word "amend", the word "rescind" shall be inserted.

Amendment of section 8A.

8. In section 8A of the principal Act,—

(*a*) in sub-section (2) and (3), for the words "basic wages, dearness allowance and retaining allowance (if any)", the words "total wages" shall be substituted;

(*b*) the *Explanation* shall be omitted.

Amendment of section 10.

9. In section 10 of the principal Act,—

(*a*) in sub-section (*1*), after the words "Provincial Insolvency Act, 1920", the words "or a liquidator appointed under any other law for the time being in force" shall be inserted;

(*b*) in sub-section (2), after the word "nominee" wherever it occurs, the words "or heirs, as the case may be," shall be inserted.

Amendment of section 11.

10. In section 11 of the principal Act, in sub-section (*1*),—

(*a*) after the words "order for winding up is made", the words "or a liquidation proceedings has been ordered or commenced" shall be inserted;

(*b*) after the words "adjudication or winding up", the words "or liquidation" shall be inserted;

(*c*) after the words "the Companies Act, 1956", the words "or under any other law for the time being in force regarding liquidation" shall be inserted.

Amendment of section 13.

11. In section 13 of the principal Act,—

(*a*) after sub-section (*1*), the following new sub-section shall be inserted, namely:—

"(1A) President, General Secretary or Secretaries of every Trade Union, registered under the Trade Unions Act, 1926, which has completed or completes five years of existence, and has got on its rolls living and paid membership of at least 25 per cent. of the total strength of the employees employed in the factory or establishment in which such Trade Union is functioning, shall be Honorary Inspectors for the said factory or establishment."; 16 of 1926

(*b*) in sub-section (*2*),—

(*i*) after the words "Any Inspector", the words "or Honorary Inspector" shall be inserted; and

(*ii*) after the words "appointed under sub-section (*1*)", the words "or (1A)" shall be inserted;

(*c*) in sub-section (2A),—

(*i*) after the words "Any Inspector", the words "or Honorary Inspector" shall be inserted; and

(*ii*) after the words "appointed under sub-section (*1*)", the words "or (IA)" shall be inserted;

(d) in sub-section (3), after the words "Every Inspector", the words "or Honorary Inspector" shall be inserted.

Amendment of section 14B.

12. In section 14B of the principal Act, for the words "damages, not exceeding the amount of arrears, as it may think fit to impose", the words "payments together with interest at nine per cent. per annum from the date the payment is due and damages not less than twenty-five per cent. and not exceeding seventy-five per cent. of the amount of arrears, as it may think fit to impose, and the amount of interest so recovered shall be credited to the Provident Fund account of the member, and the amount of damages so recovered shall be applied for the welfare of the employees of the establishment either through Trade Unions functioning in the establishment or through any other body constituted under any law for the time being in force for the purpose of welfare of the working class" shall be substituted.

Amendment of section 16.

13. In sub-section (*1*) of section 16 of the principal Act,—

(*a*) in clause (*a*), after the words "aid of power", the words "until the expiry of five years from the date on which the establishment is, or has been, set up" shall be inserted;

(*b*) in clause (*b*) for the word "twenty", the word "ten" shall be substituted.

Insertion of new section 17C.

14. After section 17B of the principal Act, the following new section shall be inserted, namely:—

Refund of provident fund accumulations.

"17C. On completion of twenty years of the membership by an employee, the total accumulations of provident fund contributions together with full share of the employer and the amount of interest accrued thereon, shall *suo moto*, be refunded to the employee but he shall continue to be a member of the Provident Fund with the same account number without being required to put in any qualifying period of service."

Amendment of section 19A.

15. In section 19A of the principal Act, for the words "the Central Government may, by order, make such provision or give such direction, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for the removal of the doubt or difficulty; and the order of the Central Government, in such cases, shall be final", the words "the same shall be decided by the Industrial Court constituted under section 10 of the Bombay Industrial Relations Act, 1946, and in the States where there is no such Industrial Court, by the Industrial Tribunal constituted under section 7A of the Industrial Disputes Act, 1947, on application being made by the employee concerned or by a registered Trade Union functioning in the factory or the establishment, and the decision of the Industrial Court or the Industrial Tribunal, as the case may be, in such cases, shall be final," shall be substituted.

Bombay Act XI of 1947.
14 of 1947.

STATEMENT OF OBJECTS AND REASONS

In order to check and control the spiral of price rise, inflationary trends and reduction in the real and purchase value of rupee and looking to the present social order and social obligations, a workman has to discharge, especially during his forties and fifties, such as education and marriage of his children and religious ceremonies etc., for which he is compelled to borrow and pay very high rate of interest resulting in defeating the purpose of the Act, it has become necessary to provide for suitable incentives to the poor working class, who is saving from smaller income and invests the amount by contributing regularly in the Provident Fund Account, by providing (i) higher rate of contribution, (ii) higher rate of interest on provident fund accumulations, and (iii) refund of the total accumulations, together with interest, on completion of stipulated period, to create confidence and incentive to save more and more and to invest with the Government.

Default in payment of provident fund contribution by the employer has become an every day affair and the employers are tempted to utilise the provident fund amount as working capital and that too, without paying any interest and as such, more stringent penal provisions for default in payment including charging interest, damages penalty and punishment of fine and imprisonment, and association of responsible trade unions for more effective implementation of the Act is sought to be achieved by this Bill.

NEW DELHI;
The 21st February, 1978.

PRASANNBHAI MEHTA.

FINANCIAL MEMORANDUM

Clause 2 of the Bill seeks to bring establishments employing 10 or more persons within the purview of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Clause 13 would also bring many establishments run by co-operative societies under the purview of the Act. This will increase Government expenditure by way of administrative and inspection charges. Clause 3 includes overtime allowance, house rent allowance, etc. in wages which would result in increase in the amount of Government contribution as employers. Clause 4 provides for payment of interest on provident fund accumulations at the rate of at least 9 per cent. Clause 5 seeks to increase employers' rate of contribution to provident fund from six and a quarter per cent. to ten per cent. Clause 6 will increase Central Government contribution to Family Pension Fund under section 6A (2) (c), the quantum of which is dependent on employers' contribution to the Fund under section 6A (2) (a). Clause 12 provides for payment of interest by the employers on arrears of their contribution to the Provident Fund or the Family Pension Scheme, as also damages for default in payment of contribution. Clauses 3, 4, 5, 6, and 12 of the Bill will, thus, also involve some expenditure in respect of establishments run by the Central Government. The Bill, if enacted, is, therefore, likely to involve a recurring expenditure of about rupees four lakhs from the Consolidated Fund of India. It is not, however, possible to estimate this amount precisely.

No non-recurring expenditure is likely to be involved.

BILL NO. 57 OF 1978

A Bill further to amend the Payment of Wages Act, 1936.

Whereas it is expedient to provide for further restrictions on illegal deductions from the wages and more effective inspection of the implementation of the Payment of Wages Act, 1936;

BE it enacted by Parliament in the Twenty-ninth Year of the Republic of India as follows:—

short title, extent and commencement.

1. (*1*) This Act may be called the Payment of Wages (Amendment) Act, 1978.

(*2*) It extends to the whole of India.

(*3*) It shall come into force on the date or dates which may be notified by the appropriate Government in the Official Gazette and different dates may be fixed for different provisions and different areas.

Amendment of section 1.

2. Sub-section (*6*) of section 1 of the Payment of Wages Act, 1936 (hereinafter referred to as the principal Act) shall be omitted.

Amendment of section 2.

3. In section 2 of the principal Act, for clause (*ia*), the following clause shall be substituted, namely:—

'(*ia*) "employer" includes a contractor and the legal representative of a deceased employer or contractor;'.

4. In section 3 of the principal Act, after the words "employed by him", the words ", either directly or through contractor" shall be inserted. Amendment of section 3.

5. In section 5 of the principal Act,— Amendment of section 5.

(*a*) in sub-section (*1*), after the word "payable", the words "and if such day is a holiday then on previous day" shall be inserted;

(*b*) in sub-section (*4*) the words "and during the working hours of the employed persons" shall be added at the end.

6. In section 7 of the principal Act,— Amendment of section 7.

(*a*) *Explanation II* to sub-section (*1*) shall be deleted;

(*b*) in sub-section (*2*), after clause (*q*) the following clause shall be inserted, namely:—

"(*r*) deductions for payment of subscription or any contribution towards any funds of the Trade Union of which the employed person is a member on his giving the authority in writing.";

(c) in sub-section (*3*),

(*i*) in clause (*i*), for the words "seventy-five per cent." the words "twenty-five per cent." shall be substituted;

(*ii*) in clause (*ii*), for the words "fifty per cent.", the words "fifteen per cent." shall be substituted;

(*iii*) in the proviso, for the words "seventy-five per cent. or, as the case may be, fifty per cent.", the words "twenty-five per cent. or, as the case may be, fifteen per cent." shall be substituted.

7. After section 7 of the principal Act, the following new sections shall be inserted, namely:— Insertion of new sections 7A and 7B.

"7A. Deductions from the wages of an employed person (including those paid on piece rate basis) for damaged or sub-standard goods prepared or manufactured by him which are rejected by the employer shall not be permissible if the employer sells such sub-standard or damaged goods in the market even at a lower price than the market price. Deductions for damaged or sub-standard goods not permissible.

7B. In case, where looking to the nature of the duties of the employed persons, security deposits are required as per the terms of contract, the employer shall pay an interest at not lower than 8.5 per cent per annum and non-payment of such interest shall be considered an illegal deduction for the purpose of this Act, and no deductions or fines of any kind shall be made from or adjusted against the principal amount or the interest which accrues on the amount of security deposit.". Deductions from security deposits and interest thereon not permissible.

8. In section 8 of the principal Act, in sub-section (*4*), for the words "half-an-anna", the words "two paise" shall be substituted. Amendment of section 8.

Amendment of section 14.

9. In section 14 of the principal Act,—

(*a*) after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(1A) President, General Secretary and Secretaries of every Trade Union registered under the Trade Unions Act, 1926, which has completed or completes five years of existence, and has got on their rolls living and paid membership of at least 25 per cent of the total strength of the employed persons employed in the factory or establishment in which such Trade Unions are functioning shall be Honorary Inspectors for the said factory or establishment.";

16 of 1926.

(*b*) in sub-section (*4*), after the word "Inspector", the words "or Honorary Inspector" shall be inserted.

Amendment of section 15.

10. In section 15 of the principal Act, in sub-section (*4*),—

(*i*) in clause (*a*), for the words "to the employer or other person responsible for the payment of wages", the words "to any Trade Union functioning in the respective establishment or to any such body constituted under any law for the time being in force for the purpose of welfare of the working class" shall be substituted;

(*ii*) in clause (*b*), for the words "to the State Government", the words "to any Trade Union functioning in the respective establishment or to any such body constituted under any law for the time being in force for the purpose of welfare of the working class" shall be substituted.

Amendment of section 17.

11. In section 17 of the principal Act, in sub-section (*1*),—

(*i*) for the words "in a Presidency town before the Court of Small Causes and elsewhere before the District Court", the words "before the Industrial Court constituted under section 10 of the Bombay Industrial Relations Act, 1946 and, in the States where Bombay Industrial Relations Act, 1946 is not in force, before the Industrial Tribunal constituted under Section 7A of the Industrial Disputes Act, 1947" shall be substituted;

Bombay Act XI of 1947.

14 of 1947.

(*ii*) in clause (*a*), for the words "three hundred rupees" and "one thousand rupees", the words "five hundred rupees" and "two thousand rupees" respectively shall be substituted.

Amendment of section 18.

12. In section 18 of the principal Act, the words "and every such authority shall also have the powers of a Revenue Officer under Bombay Land Revenue Code" shall be added at the end.

Amendment of section 20.

13. In section 20 of the principal Act,—

(*a*) in sub-section (*1*), the words "or with imprisonment for a term which may extend to six months, or with both" shall be added at the end;

(*b*) in sub-section (*2*), the words "or with imprisonment for a term which may extend to six months, or with both" shall be added at the end;

(*c*) in sub-section (*3*), the words "or with imprisonment for a term which may extend to six months, or with both" shall be added at the end;

(*d*) after sub-section (*6*), the following sub-section shall be inserted, namely:—

"(7) Any fine or penalty, imposed under this Act, shall be realised by the authority as an arrear of Land Revenue and shall be utilized for only such purposes, beneficial to the persons employed in the factory or establishment, as are approved by the prescribed authority and through such body constituted under any Law for the time being in force for the purposes of welfare of the working class.".

STATEMENT OF OBJECTS AND REASONS

Efforts by some employers to defeat the purpose of the Payment of Wages Act, 1936 has necessitated the more effective provisions to regulate the payment of wages and inspection machinery.

The Bill seeks to achieve this object by providing for more comprehensive definition of employer to include contractors, clarifications regarding time for payment of wages, deductions towards Union subscriptions permissible, restriction on malpractices by employer regarding illegal deduction by way of non-payment of interest on amount of security deposit and adjustment of excessive fines and other illegal deductions from the amount of security deposits, deduction of wages under the pretext of sub-standard goods produced by the employed persons, association of responsible Trade Unions for more effective implementation of this Act, and utilisation of the amount of fines and damages recovered from employers towards welfare of the working class either through Trade Unions or through other bodies constituted under any statute for the purpose.

NEW DELHI;
The 21st February, 1978.

PRASANNBHAI MEHTA.

FINANCIAL MEMORANDUM

The proposed new section 7B *vide* clause 7 of the Bill seeks to provide for payment of interest on security deposits where required to be made by the persons employed in industrial establishments. The Bill, therefore, if enacted, is likely to involve recurring expenditure of about rupees five lakhs from the Consolidated Fund of India in case of Central Government undertakings.

No non-recurring expenditure is likely to be involved.

AVTAR SINGH RIKHY,
Secretary.

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